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UNITED STATES DEPARTMENT OF AGRICULTURE
Washington, D. C.

Testimony Before the
Senate Special Committee on Post-War Economic Policy and Planning
(The George Committee)
May 11, 1944

by

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Bureau of Agricultural Economics

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The number of persons who return to farms from the military forces and war industries will depend on the economic opportunities offered by agriculture in comparison to the economic opportunities offered outside agriculture. The only time since the end of our frontier period when there has been a net population movement from towns and cities to farms was in the heart of depression when agriculture became the "poorhouse" for the temporarily unemployed. In all other periods net population movement was away from farms. Unless, therefore, we are to look forward to a nation-wide depression following the war there will be no rush to the land. Undue stimulation to such a movement would be not only stimulation of an unnatural trend but an invitation to agricultural maladjustment and rural misery. These statements are based on the analyses of previous population movements. It is my purpose to present these analyses to the committee.

My testimony will be followed by statements by Dr. Bushrod Allin and Mr. Ray Smith, both from the Bureau of Agricultural Economics. Dr. Allin will make a statement on post-war demand for agricultural products and Mr. Smith will present some of the things the United States Department of agriculture is doing in the field of post-war planning.

Effects of the War to the Present Time in Terms of the
Loss of Farm Population and Agricultural Workers

During the past four years there has occurred the largest movement of people from American farms ever recorded in so short a period of time. Some 1,500,000 have gone into the armed forces and there has been an additional net migration of three and a half to five and a half million civilians into cities and other nonfarm areas. Not all of the civilian migration can be attributed to the influence of wartime industrial activity. If migration from farms had continued at the same rate as during the last five pre-war years, nearly two million persons would have left the farms in the normal course of events during the four-year war period. It can therefore be assumed that the excess net migration from farms during the last four years roughly has been four million. What occurs by way of population movements into agriculture after the war will largely depend on the behavior of the extra four million people who have left the land during the war period.

If a high level of industrial employment continues after the war relatively few of the civilians who have migrated to industrial centers will return to farms. If a depression is permitted to develop many more of them will attempt to return. Agricultural post-war planning, indeed national economic post-war planning, requires an answer to the question of how many workers agriculture can be expected to absorb after the war.

How Many Workers Can Agriculture Be Expected
To Absorb After the War

The record breaking agricultural production of 1943 was achieved with the smallest average number of persons working on farms in the whole 35-year period for which farm employment estimates are available. According to the Bureau of Agricultural Economics' estimates there were 322,000 fewer agricultural workers in 1943 than in 1940. Indications are that there will be fewer in 1944 than in 1943. Apparently it is possible for agriculture to accomplish giant production even with the present reduced farm labor force.

Output per agricultural worker has increased markedly since 1910-14. As a result, 14 percent fewer farm workers produced 44 percent more food and fiber in 1940-43 than in the 1910-14 period. Agricultural production per worker for the country as a whole has averaged 25 percent greater in 1940-43 than in 1935-39 and 67 percent greater than in 1910-14. Underlying these gains in labor productivity is the progress in farm technology: mechanization, improved varieties and strains of crops and livestock, more effective control of plant and animal disease and pests, improved cultural and farm management practices, and in very recent years fuller utilization of the available working force. Table 1 presents a tabulation of these facts.

Table 1. - Agricultural production, ^{1/} employment, and productivity indexes, United States, 5-year averages, 1910-39 and single years, 1940-43 (Index numbers, 1910-14 = 100)

Period or year	: Agricultural : production	: Agricultural : employment	: Production per : worker
1943	: 155	85	182
1942	: 151	86	176
1941	: 136	86	158
1940	: 133	88	151
1935-39	: 121	91	133
1930-34	: 117	92	127
1925-29	: 120	94	128
1920-24	: 111	94	118
1915-19	: 105	97	108
1910-14	: 100	100	100
	:		

^{1/} Production for sale and for consumption in the farm home.

Although no greater total number of workers will be needed in agriculture after the war, many persons now working on farms are expected to drop out of the labor force following the war and many farmers will desire to alleviate the arduousness of their work by hiring extra help. Furthermore, a goodly number of farmers retire each year under normal

circumstances and there is some evidence that because a good many have postponed retirement during the war period there will be an increased number of farm vacancies created immediately following the war.

Employment opportunities in agriculture at the end of the war will be primarily opportunities arising from the need of replacements for persons now working on farms who will withdraw from the labor force after the war ends and the manpower scarcity is over. An attempt is made here to estimate what the volume of re-employment opportunities on farms will be because of these withdrawals.

If no greater proportion of the farm population of working ages remains in the farm labor force after the war than in 1940, there will be about 700 thousand fewer women, youths and old people working on farms then than there are now. An additional 100 thousand to 200 thousand nonfarm residents who are only "pinch-hitting" for regular farm workers may be expected to give up their farm work after the war. Probably more than 100 thousand adult workers can be used to replace a much larger number of children not normally classified in the working age group who are now helping out with the agricultural work. All of these possible withdrawals may create replacement opportunities in agriculture at the end of the war for approximately one million workers.

There has apparently been a slowing down in farm operator retirement ever since the beginning of the depression. Retirements postponed during the depression because of lack of resources to fall back on and during war because of the lack of younger men to replace aging operators may involve as many as 220,000 farm operators by the end of the war. ^{1/} Thus a maximum of approximately 220 thousand farm operators may be expected to turn their farms over to younger men at the end of the war. It should be emphasized, however, that these vacancies will not create the volume of agricultural opportunity which might be assumed, because nearly one-half of these retirements will probably be from farms which had a total value of production of less than \$600 in 1939. In other words, only 110 thousand bona fide farm opportunities can be expected to develop from this source.

Nor should it be assumed that all of the vacancies created by the withdrawal of these various classes of persons will be available to those who may desire to return to agriculture following the war. Each year after

^{1/} If farm operators other than sharecroppers had retired during the 1930-1940 decade at the same rate operators of corresponding ages retired during the 1920-30 decade there would have been 113 thousand fewer farm operators 55 years of age in 1940 than there actually were. The normal farm operator retirement rate expected during the 1940-50 decade amounts to about 54 thousand per year. If this rate has been cut in half during the war years, 1941-44, because of the lack of younger men to replace aging operators, then there have been only 108 thousand operator retirements during that period, making a total cumulative deficit of operator retirements of 221,000, of which only 111,000 are estimated to involve farms with \$600 or more total value of production in 1939. These must be considered maximum estimates because they are based on the assumption of the continuation of the 1940 number of farms during the war years. Actually the number of farms has probably decreased considerably.

the war, when the 18-year olds will no longer be immediately subject to military service, the normal increase in the farm population of working age will tend to rapidly close the gap of farm employment opportunities.

If the national economy is operating at a high enough level to warrant it, approximately 40 million acres of undeveloped land largely not now in farms but suitable and feasible of development through clearing, drainage and irrigation might create from 250 thousands to 300 thousand new family type farm units. These lands could, however, be brought under cultivation only slowly and at considerable expense. About 4 million acres are within existing drainage enterprises in eastern and Mississippi Valley states and an additional 13 million acres are outside of drainage districts. Another fairly large class of undeveloped land is 5 to 10 million acres of woodland suitable for development by clearing but not needing drainage or irrigation. A total of about 8 million acres are now in irrigation projects which are partly developed but authorized for development or in the stages of advanced planning. An additional 10 million acres could be irrigated if all physically feasible projects were developed. Table 2 presents the tabulation of these rough estimates of undeveloped land suitable and feasible of development for farming should the need for farm products become too great to be met satisfactorily by land already in farms.

TABLE 2

Rough Estimates of Undeveloped Land Partly Outside Farms Suitable and Feasible of Development for Farming if the need for farm products is too large to be met satisfactorily by land already in farms

	<u>Acres</u>
1. Land in existing drainage enterprises available for farming if cleared and improved	4,000,000
2. Land outside drainage districts which is suitable and feasible to drain by public projects (part would require clearing)	13,000,000
3. Woodland feasible to clear for farming not requiring drainage or irrigation	5,000,000
4. Estimated land area which can be watered from irrigation projects under construction or in a stage of advanced planning	8,000,000
5. Additional estimated land area which could be irrigated if all physically feasible projects were developed	10,000,000
Total	<hr/> 40,000,000

A preliminary classification of the 7 million acres purchased by the War and Navy Department indicates that about 3,500,000 acres are suitable for agricultural use. It is not at the present known how much of this land will be released for agricultural uses but if all of it that is suitable for farming is released then approximately 8 thousand family-sized farms of the type and size adapted to the localities where they are could be made available for settlement.

These figures indicated that new opportunities for land settlement are quite limited. Hence land settlement policies need to be carefully worked out and guidance provided to assure successful operation of the farm by the settler and an adequate level of living for himself and his family. A report issued by the Department of Agriculture entitled, "What Post-War Policies for Agriculture," includes the following recommendation: "Although we favor reclamation of new land as needed, a cardinal principle of national economic policy should be to prevent agriculture from becoming the dumping ground for the industrial employed. There should be no back-to-the-land movement after this war in the sense of a net movement of urban people to farms. If we have such a movement it will be evidence of economic retrogression."

What Level of Farm Population Can We Expect and Plan for After the War

In an attempt to estimate or predict volumes of net population movement to and from farms after the war, a knowledge of trends of such movements in the past must be used.

The record of migration from farms over the past 25 years shows a close inverse relation to the productive level at which our economy was functioning. When the number of nonagricultural jobs available increased, the number of people who migrated from farms increased and the farm population decreased. This relation was so close that the actual year-by-year level of the farm population since 1920 can be closely estimated from the level of nonagricultural employment each year. 2/ The period of the early and middle 1920's, with its relatively more prosperous conditions in urban areas than on farms was a period of high outmigration from farms. The general decline of general business prosperity in the last part of the decade was accompanied by a decline of migration from farms. During the depression which followed there was almost a complete stoppage of the usual flow of persons from farms; at one time in fact a reverse flow. Agriculture

2/ See attached charts, "Movement to and from farms, United States, 1920-42" and "Farm Population Estimated from Nonagricultural Employment Levels, 1920-44, compared with Actual Farm Population Estimated, 1910-44."

became the haven or the "poorhouse" for many of the industrially unemployed. This unguided migration back to farms resulted in population increases in the areas least able to support more people. 3/

During the latter half of the 1930's, the return of even a moderately better economic situation led to a quick response in movement from farms. Natural increase was, however, adding some 350,000 to 400,000 to the farm population each year and it therefore required the 7 years, from 1933 to 1940, for the farm population to lose the abnormal expansion of nearly 2 million persons which occurred during the depression from 1930-32.

The long-time changes in farm population with two trends projected are shown in the accompanying chart. 4/ If the strong downward trend from 1916-30 is projected into the post-war period, on the assumption that the depression interrupted this trend but that the heavy losses since 1940 have made up for the slackened migration during the 1930's, a post-war farm population level of approximately 26.7 million persons is indicated. On the other hand, the post-war level of farm population suggested by the over-all trend during the entire period 1916-1944 is 28.8 million. This longer time trend level, however, is considerably weighted by the depression decade of the 1930's. Because the out-movement from farms during the war years has represented in large part a telescoping within a few years of the migration repressed during the preceding decade, it is likely that the post-war farm population level will be substantially under the 1940 level.

Whether the actual farm population level in the post-war period will be 26, 27 or 28 million will largely depend on how far toward full employment our economy is operating. Should it rise to 28 million or more, agriculture's reabsorptive capacity would probably leave a considerable number of farm residents in the unemployed or greatly underemployed categories.

On the other hand, if full industrial employment can be guaranteed, probably relatively few will desire to return to farms. In recent surveys made of defense workers in Portland, Oregon shipyards more than 60 percent of all workers expressed an intention of remaining in the areas if jobs were available and only 19 percent were definitely decided on going to some other place. Even after the last war, return migration to farms fell far short of bringing the farm population back to its pre-war level. If there had later not been a collapse in general business conditions the farm population would probably never have regained its wartime loss.

I think the following concluding statements will serve to interpret the information I have presented:

(1) The volume of migration which agriculture can readily absorb following the war, even under favorable economic conditions, will be a

3/ See attached map, "Number of Farms, Increase, 1930-1935."

4/ "Farm Population, United States, 1910-1944." (attached).

volume approximately equal to the number of those who will withdraw, after the war, from the present agricultural working force,

(2) If there is full industrial employment few of those now employed in industry will choose to return to farms.

(3) Under any other conditions than extreme economic depression there will continue to be many boys and girls born and reared on farms who, as in the past, will move cityward. This is a normal trend.

(4) If we do suffer a depression the movement of population from farms will slow down and there may be a back-to-the-land movement.

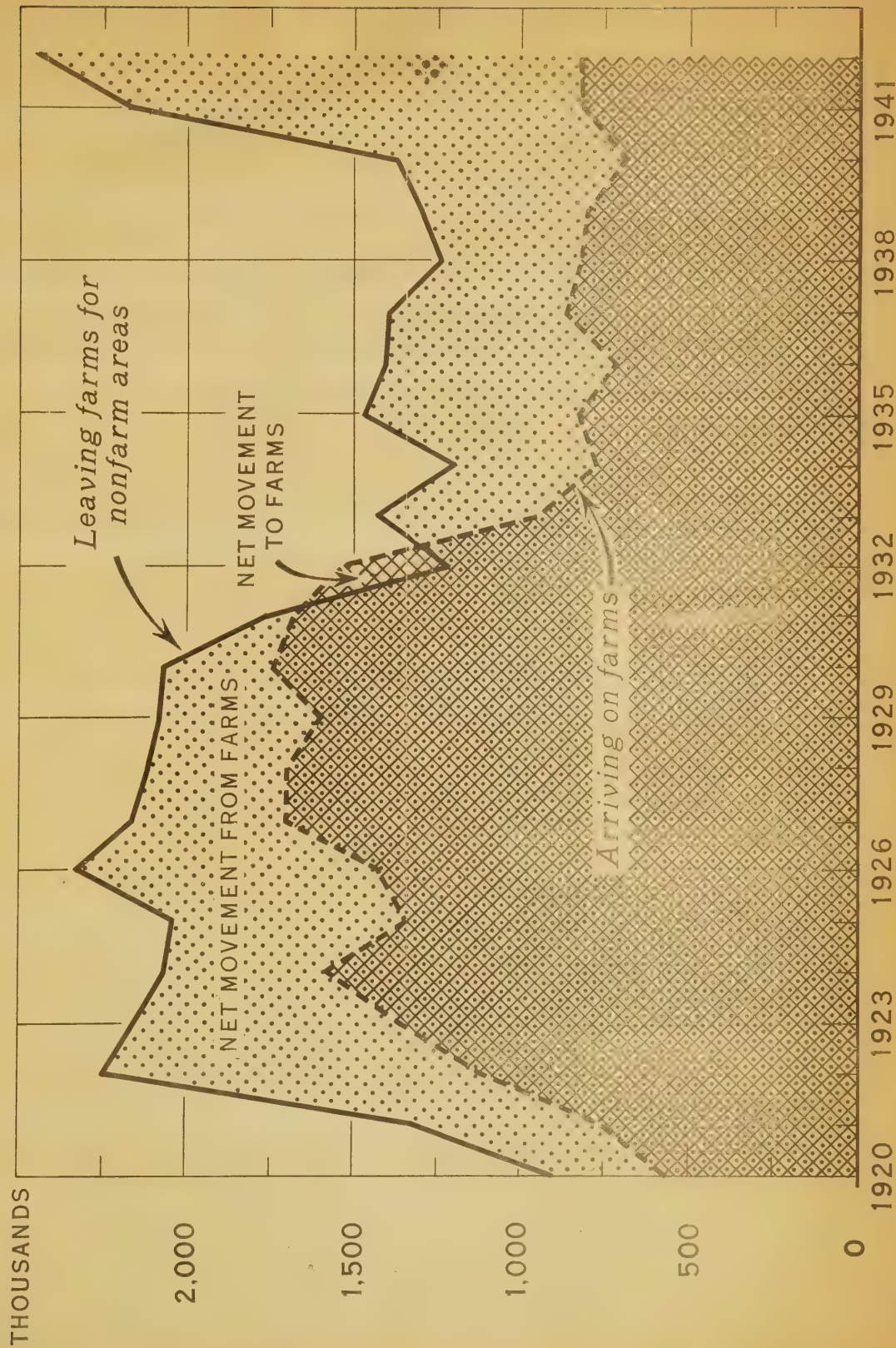
(5) Any stimulation of civilians to move from industrial centers to farms will not only encourage an unnatural trend but invite agricultural maladjustment and agricultural underemployment. Farm born and reared boys returning from military service will probably more than suffice to replace all those withdrawing from the farm labor force following the war.

(6) If economic conditions following the war are such as to warrant a movement of some presently industrially employed civilians to farms, the best possible planning will be necessary to guarantee, in as far as possible, that they settle in the best locations and receive the maximum technical agricultural guidance.

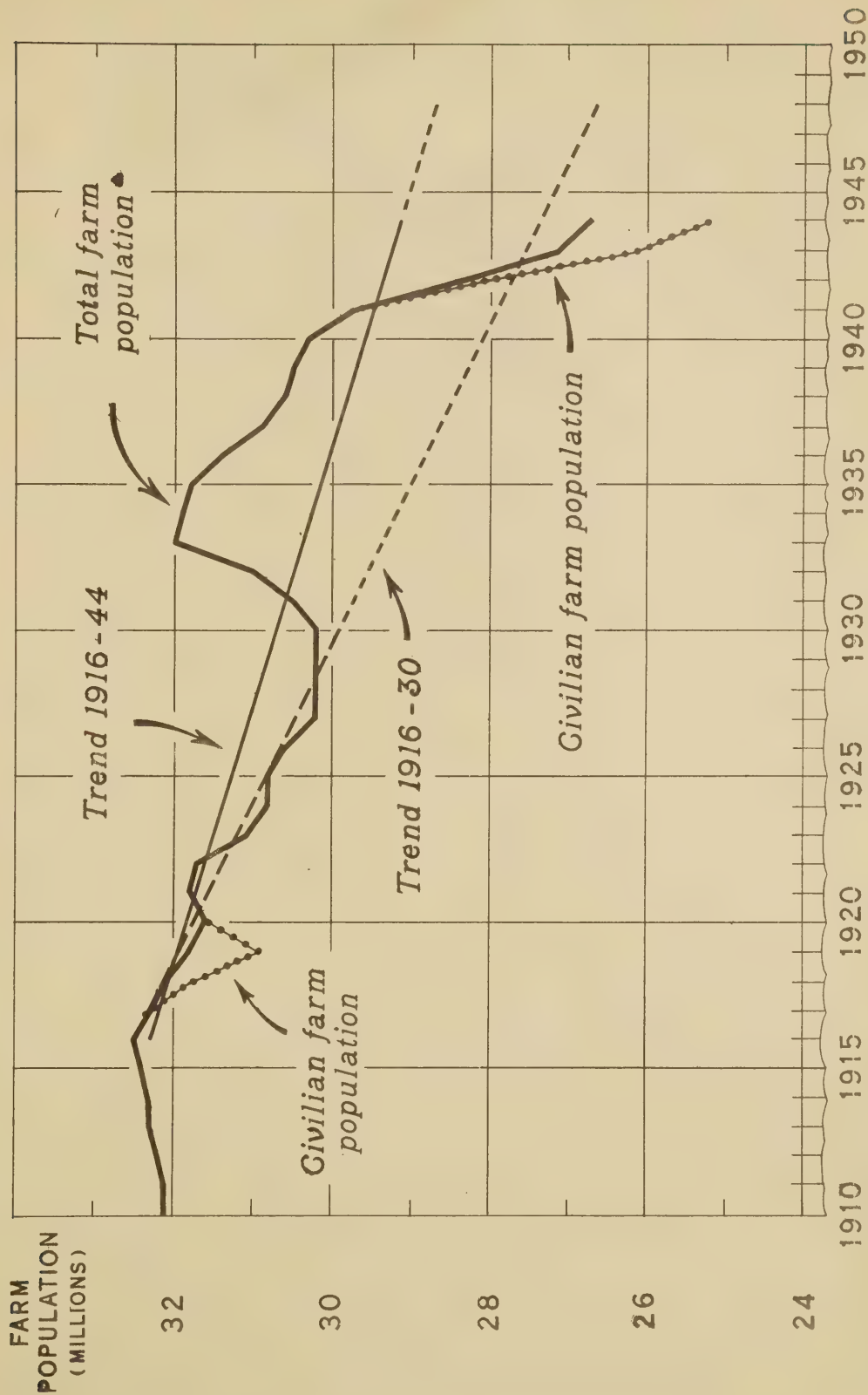
Because a high level of industrial employment appears to be the only sure means of forestalling an economically unhealthy post-war movement of population to the land and because such a movement would inevitably result in serious agricultural maladjustment the Bureau of Agricultural Economics has been attempting to do some constructive thinking concerning post-war demand for farm products. Dr. Bushrod Allin will present a statement on that subject.

MOVEMENT TO AND FROM FARMS, UNITED STATES, 1920-42

BIRTHS AND DEATHS NOT TAKEN INTO ACCOUNT



FARM POPULATION, UNITED STATES, 1910-44 *

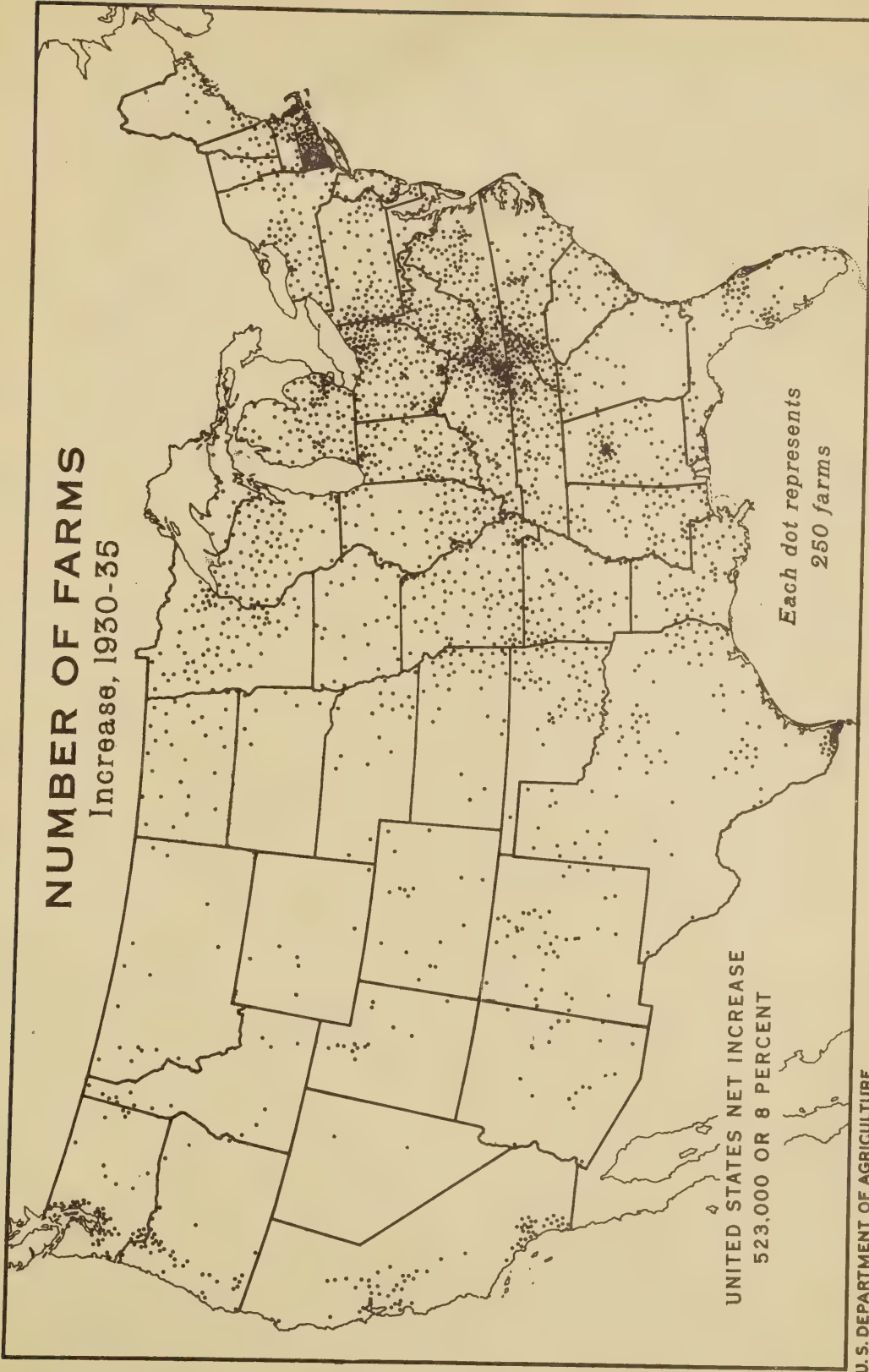


* FARM POPULATION ESTIMATES FOR 1941-44 ARE TENTATIVE AND SUBJECT TO REVISIONS.

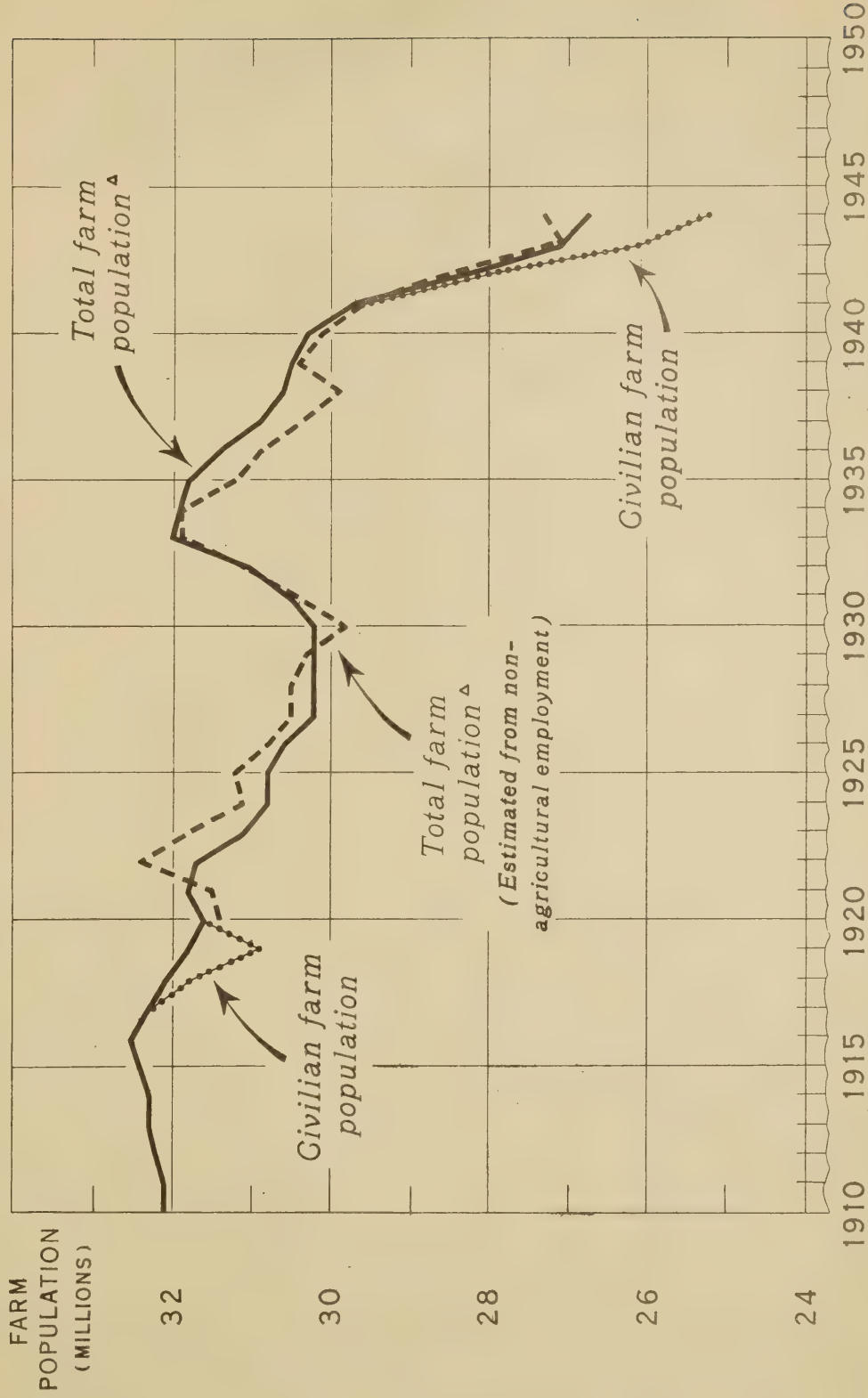
△ INCLUDING PERSONS WHO ENTERED ARMED FORCES DIRECTLY FROM A FARM RESIDENCE.

NUMBER OF FARMS

Increase, 1930-35



FARM POPULATION ESTIMATED FROM NONAGRICULTURAL EMPLOYMENT LEVELS, 1920-44 COMPARED WITH ACTUAL FARM POPULATION ESTIMATES, 1910-44 *



* FARM POPULATION ESTIMATES FOR 1941-44 ARE TENTATIVE AND SUBJECT TO REVISIONS.

Δ INCLUDING PERSONS WHO ENTERED ARMED FORCES DIRECTLY FROM A FARM RESIDENCE.

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Post-War Demand For Farm Products

Because of the very great uncertainty as to the future course of events, the Bureau of Agricultural Economics is thinking about post-war agriculture on the basis of specific assumptions concerning national income, employment, price levels, foreign trade, and other aspects of our economy which determine the level of agricultural prosperity. Our analysis of the meaning of these assumptions in terms of probable demand for farm products is helpful in clarifying our thinking about possible post-war employment opportunities in agriculture. With our assumptions defined, it is possible for anyone to apply his own judgment as to whether they are optimistic or pessimistic, and to modify our conclusions drawn from the analysis in either direction he may choose.

If we assume that after full transition from a wartime to a peacetime economy, the national income can be maintained at about 140 billion dollars annually, which represents substantially full employment at the 1943 general price level, domestic and foreign demand for farm products at about parity prices would be sufficient to absorb a total output not greatly different from our 1943 production. The gross income to agriculture would be about 17 billion dollars as compared with 20 billion dollars in 1943, when average farm prices were 117 percent of parity.

The year 1943 was a war year, and farm prices then were abnormally high; hence, we assumed that in the post-war period they will be somewhat lower, even if the general price level should be substantially the same as in 1943. Under these assumptions per capita domestic consumption for all the major agricultural products would be not only higher but substantially higher than it was, for example, in 1935-39 or in 1941 -- years in which labor was not fully employed and the national income was considerably lower than 140 billion dollars. Table 1 attached contains these estimates.

The fact that consumers are disposed to purchase larger quantities of agricultural products in general (and substantially larger quantities of particular commodities) when labor is fully employed and business activity and national income are high, is a matter of great significance to agriculture. It demonstrates, as nothing else can, the farmer's interest in maintaining full employment and a high level of industrial activity and national income. For it means that he can sell not only a larger volume of agricultural products, but can sell this larger volume at more favorable prices than it is possible for him to do when business activity and the national income are depressed or are below the full employment level.

To complete our estimate of the possible total post-war demand for

farm products, it was also necessary to make some assumptions with respect to imports and exports. In the two decades between the two world wars our agricultural imports represented about 50 percent of all imports, and changes in our total imports followed closely changes in our national income. On the basis of past relationships, we may expect total annual imports of agricultural products after this war of about 2 1/2 billion dollars, if our national income is maintained at 140 billion dollars. These imports, of course, would include in large measure commodities we do not produce, such as rubber, coffee and bananas.

In estimating exports we noted that in 1925-29 our agricultural exports represented 37 percent of our total exports, but that in 1935-39 the proportion had dropped to 25 percent. If this downward trend is resumed after the war, it is likely that our agricultural exports by 1950 will not exceed one sixth of our total exports. Again, on the basis of past relationships, if our total exports should amount to 6 billion dollars our agricultural exports would total only one billion dollars. These estimates are, in general, substantially below our exports from 1925-29; and for some items even below those for 1935-39.

By adding estimated exports to the estimated domestic demand, and then deducting estimated competitive imports we arrive at total domestic production requirements. As previously pointed out, these requirements, at about parity prices, would represent a gross farm income of 17 billion dollars.

At first glance, this would seem to suggest only minor adjustment problems for agriculture; but, unfortunately this is not the case. It would only be true if agricultural technology or efficiency should remain static, and if the same relative amounts of the various agricultural products were needed after the war as during the war. There is no prospect that either of these conditions will prevail. Output per acre, per animal unit and per agricultural worker should increase substantially. It is estimated that by 1950 average crop yields will increase by about 10 to 12 percent above pre-war averages. This assumes wider use of known and available improved varieties and strains of seeds, better rotations and conservation practices, increased use of fertilizer, better control of insects and disease, better timing in planting and harvesting operations, etc.

After considering the various problems involved in increasing the efficiency in livestock production, it seems reasonable to assume about a 5 percent increase in milk production per cow and in egg production per hen. With respect to the over-all increase in efficiency with which feed is utilized by all livestock, an estimate of a 2 1/2 percent increase would seem reasonable by 1950. Improvement in sanitation and disease control would increase efficiency in using feed in all classes of livestock. More careful individual feeding of dairy cows, better balanced rations, the use of more adequate protein and mineral supplements by hog and cattle feeders especially, and improvements in hay and pasture for roughage-consuming animals would all tend to increase efficiency. Cross-breeding, artificial insemination and other means of improving the genetic make-up of livestock eventually would be important also.

Allowing for only moderate improvements in technology, we conclude that the production requirements indicated under the assumptions we have stated can be met by the cultivation of only 320 million acres of cropland. This compares with 351 million acres in 1943, and an estimated 374 million acres in 1944. Table 2 attached contains the estimated "pattern" of crop and livestock production under both average and improved technology.

We have examined the opportunities for additional outlets for farm products not already included in our assumptions. One of these is a possible Government program to improve the diets of people in the lower income brackets by supplementing the operations of private distribution channels. Even with a national income of 140 billion dollars, we would still have in our own country large numbers of people inadequately fed. We have estimated that a Government program to improve the diets of people with annual incomes less than \$1500 would absorb the product of about 8 million acres of cropland. The additional amounts of major products required are shown in table 3. Adding this possible outlet to our previous estimate, we find that at parity prices and under improved technology, we could dispose of the product of about 328 million crop acres, thus leaving a large gap to be filled by other measures.

When we come to examine the potentialities of these "other measures", we find ourselves compelled to rely upon a degree of international collaboration far surpassing anything we have ever known in the past. We could keep our acres and our farm labor all employed under improved technology if the kind of international policies recommended at the Hot Springs Conference on Food and Agriculture could produce a greatly expanded economy on a world-wide scale, and thereby achieve a larger export outlet for agricultural products than seems likely under international relationships somewhat similar to those that prevailed before the outbreak of this war.

We, in the Bureau of Agricultural Economics, believe this can and should be done, but we are not ready to forecast that it will be done. It would seem, however, that unless the post-war international situation, aided by large-scale foreign investment of American capital, can approach the objectives spelled out at Hot Springs agricultural prices in the United States in the post-war world will be under constant and severe pressure from agricultural production.

In the absence of such large-scale expansion in world economy, American agriculture would need the protection of domestic measures involving perhaps more Government activity than we experienced during the depression of the 1930's. Even after taking care of the nutritional needs of low-income groups, it would still be necessary to reduce production substantially to protect the agricultural industry from unreasonably low prices. Of course, we could attempt production control again, but this would certainly be a defeatist policy. A defensive resort to scarcity economics again may be still "in the cards", but we hope not. If we must reduce agricultural production, might it not be better in the long run to shift some of our farm labor to non-farm

employment than to have each farmer reduce his production by a flat percentage? At the present time, there is enough labor on farms to supply, at parity prices, more agricultural products than would be absorbed under the conditions assumed. And this takes no account of the fact that half of our farmers produce 80 to 90 percent of our marketed product, thus leaving the other half relatively under-employed and a potentially huge reservoir of manpower for possible further expansion of production.

Many, of course, will question the validity of our assumptions of 140 billion dollars of national income, and of full employment. Some will think they are too high; others, too low. We believe, however, that the Nation is going to have to do some really serious planning to assure that level of activity at home -- to say nothing of the things it will have to do in cooperation with other nations to insure a better world economy generally. The closest possible collaboration between private enterprise and the Government will be required, and Federal fiscal policy must be adapted to the needs of full employment.

After looking at some of the more optimistic possibilities, it may be worthwhile to note the possible plight of agriculture in the event of a severe post-war depression -- a situation that could develop in the absence of appropriate policies to prevent it. Under this assumption, agriculture's condition would be sorry indeed. If the national income should fall to 55 billion dollars, and if 10 or 15 million of our workers should be unemployed, agricultural prices could easily drop to half of parity and agricultural income could fall to 5 or 6 billion dollars.

In conclusion, we should like to point out that we have not attempted in this statement to deal with the differential effects of our assumptions on various types of farmers such as cotton growers, wheat growers, etc. These all have special characteristics. We are carrying our analyses as far as we can, and hope to be able to provide some more specific conclusions soon.

Table 1. - Estimated per capita consumption of major agricultural commodities under conditions of full employment for 1950, with historical comparisons

Commodity	Per capita consumption		
	1935-39	1941	Estimated 1950 under full employment
			<u>Pounds per capita</u>
All dairy products			
Fluid milk equivalent	806.4	814.6	880.7
Fluid milk and cream	342.3	353.5	380.0
Butter	16.8	16.0	15.9
Cheese	5.6	6.0	6.9
Condensed and evaporated milk	16.8	18.6	21.7
Ice cream	9.5	13.7	18.0
Poultry and eggs			
Eggs (number)	300	313	345
Chickens	18.0	19.5	26.0
Turkeys	2.7	3.6	5.0
Meats	126.4	142.6	153.9
Beef and veal	63.2	68.6	68.8
Lamb and mutton	6.7	6.9	7.0
Pork (excluding lard)	56.5	67.1	78.1
Fruits			
Citrus	49.1	57.9	75.3
Other fresh	103.0	98.7	99.5
Canned fruit	15.0	19.2	20.0
Canned juices	5.4	8.4	12.0
Dried fruits	5.7	4.5	6.0
Frozen fruits	.7	1.3	3.0
Vegetables			
Commercial truck crops	96.4	95.9	108.3
Canned vegetables	31.2	38.5	45.0
Potatoes	131.3	124.4	117.0
Sweetpotatoes	23.4	20.8	20.7
Peas, beans, and nuts			
Dry edible beans	8.9	8.8	9.4
Dry peas	.5	.4	.4
Peanuts (in shell)	6.4	7.0	8.9
Other domestic nuts (in shell)	2.0	2.2	2.0
Sugar and syrup			
Sugar	97.0	105.0	115.0
Syrup	11.6	11.9	12.0
Fats and oils			
Lard	11.0	14.2	14.0
Shortening	11.9	10.5	11.5
Margarine	2.3	2.2	3.0
Other	6.3	8.4	10.0

Continued -

Table 1. - Estimated per capita consumption of major agricultural commodities under conditions of full employment for 1950, with historical comparisons (Continued)

Commodity	Per capita consumption		
	1935-39	1941	Estimated 1950 under full employment
	Pounds per capita		
Grains for food			
Wheat	222.8	218.9	215
Rice, milled	6.2	5.5	5.8
Rye	3.2	4.3	3.9
Corn	57.6	64.3	60.0
Oats	6.9	7.1	7.6
Barley	21.6	22.6	25.0
Imported foods			
Coffee (green)	14.1	15.9	17.0
Tea	.7	.8	.7
Cocoa beans	4.4	4.8	5.5
Non-foods			
Cotton	25.5	38.9	34.6
Wool (mill consumption)	2.9	4.9	4.5
Tobacco	6.6	7.6	8.8
Fats and oils	22.4	30.5	28.0

Table 2.--Estimated pattern of crop and livestock production with varying technology under conditions of full employment in 1950 with historical comparisons

Item	Actual acreage or numbers			Estimated 1950 under full employment with	
	1935-39	1941	1943	Average technology	Improved technology
Crops	1,000's	1,000's	1,000's	1,000's	1,000's
Food grains	77,957	67,165	59,417	67,181	61,308
Wheat	73,251	62,332	55,109	62,893	57,218
Rye harvested for grain	3,699	3,570	2,777	3,306	3,154
Rice	1,007	1,263	1,531	982	936
Feed Grains	155,358	150,957	163,960	160,985	142,441
Corn	97,055	87,631	97,136	95,290	85,147
Oats	40,586	41,582	42,858	40,372	34,773
Barley	13,364	15,762	17,329	18,102	16,609
Sorghum harvested for grain	4,353	5,982	6,637	6,221	5,912
All tame hay	55,770	59,317	61,016	68,070	56,795
Sugar and sirup	1,544	1,375	1,275	1,453	1,334
Sugarcane and seed	285	289	322	348	316
Sugar beets	892	794	619	780	709
Sirups (sorgo and cane)	367	292	334	325	309
Beans and peas	2,198	2,614	3,566	2,025	1,928
Dry edible beans	1,917	2,255	2,734	1,800	1,714
Dry peas	281	359	832	225	214
Vegetables	7,151	6,924	7,968	7,437	6,816
Processing vegetables (11)	1,479	1,715	2,080	2,100	1,998
Commercial vegetables (25)	1,745	1,695	1,560	1,950	1,857
Potatoes	3,123	2,768	3,430	2,700	2,411
Sweetpotatoes	804	746	898	687	550
Oil crops	6,639	11,265	21,089	14,000	11,672
Soybeans, harvested for beans	3,042	5,881	10,820	8,000	6,400
Flaxseed	1,938	3,470	6,320	3,000	2,772
Peanuts, picked and threshed	1,659	1,914	3,949	3,000	2,500
Cotton, all	28,496	23,130	22,151	26,000	24,805
Tobacco	1,647	1,306	1,462	1,737	1,654
Miscellaneous crops 1/			17,492	17,000	16,190
Less adjustments for multiple use 2/			13,797	12,750	11,373
Total land used for crops			345,599	352,138	313,370
All fruits, nuts, etc. 3/			5,610	6,600	6,286
Total land used for crops, fruits, nuts, etc.			351,209	358,738	319,856
Meat animals slaughtered					
Hogs	56,789	71,397	90,000	86,848	86,848
Cattle and calves	24,710	25,685	27,400	28,051	28,051
Sheep and lambs	21,809	22,312	26,460	25,048	25,048
Chickens	587,379	583,975	840,000	802,250	802,250
Commercial broilers	69,287	172,490	248,576	241,091	241,091
Turkeys	26,038	32,382	32,713	49,451	49,451
Other livestock & livestock products:					
Milk cows average no. during year	23,548	24,357	25,669	27,490	26,181
Hens and pullets on farms Jan. 1	364,377	381,372	487,089	410,316	390,777
Horses and mules on farms Jan. 1	15,750	14,136	13,390	11,700	11,700
		Millions of pounds or dozens			
Milk production on farms	103,624	115,498	118,200	126,700	126,700
Egg production on farms	3,032	3,480	4,499	3,898	3,898

1/ Includes seeds (hay and cover crop), buckwheat, hemp, cowpeas, sorghums for forage and silage, and other minor miscellaneous crops. 2/ Adjustments for duplicate acreage of which about 3 million acres in 1000 is for peanut hay. 3/ Estimate of total acreage of fruits, nuts, and horticultural specialties based on 1939 acreage as reported by the Census.

Table 3.- Additional farm production required in 1950 above the estimated demand to provide at least a low cost adequate diet for all families with less than \$1500 income

Item	Unit	Additional farm production
Milk (equivalent)	Million lbs.	11,682
Potatoes	Million bu.	53
Sweetpotatoes	do.	11
Dry edible beans <u>1/</u>	Thousand bags (100 lbs.)	5,530
Dry field peas <u>1/</u>	do.	420
Citrus, fresh	Million lbs.	722
All other fruits	do. (fresh basis)	92
Processing vegetables <u>2/</u>	do.	398
Commercial vegetables <u>2/</u>	do.	597
Eggs	Million doz.	5
Meats		
Beef and veal	Million lbs. dressed wt.	82
Pork (ex. lard)	do.	63
Wheat	Million bu.	24

1/ Cleaned basis.

2/ These estimates may be reduced if it is assumed that part of the additional production will be furnished from farm and market gardens.

UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

Testimony Before The
Senate Special Committee on Post-War Economic Policy and Planning
by

Raymond C. Smith, Chief Program Analyst, Bureau of Agricultural Economics,
and Chairman of the Department's Interbureau Committee on Post-War Programs

Farm people are realizing that the Nation will face tremendous problems at the end of the war. They are showing an increasing concern about being prepared in advance to meet these problems.

The work of the Department of Agriculture on post-war problems is being carried on jointly by various agencies and bureaus, through interbureau committees and working groups, both in Washington and in the field. The Department and the Land-Grant Colleges are cooperating closely in the work.

I should like to point out briefly the approach which we are taking in considering post-war problems. We look upon post-war planning in agriculture as a two-fold job. On the one hand, agriculture, a part of a national and of world economy, has to plan, along with other groups, to bring about the kind of a national economy and the kind of international relations that we need. On the other hand, it has to plan for making adjustments in agriculture to meet whatever national and international situations may actually evolve.

In broad terms, post-war planning in agriculture is directed toward bringing about an enduring world peace and with it the opportunity for freer exchange of products between Nations and consequent rising standards of living in all Nations. It is directed toward attaining a healthy and expanding national peace-time economy, and toward developing a better agriculture and a higher standard of living for farm people.

We believe that post-war planning in agriculture cannot be limited to planning for agriculture. The agricultural economy does not exist unto itself. It is an integral part of our total national economy, which in turn is an integral part of the world economy. Farmers have a real stake in world trade. They cannot neglect planning to bring about the kind of an enduring peace which will be conducive to freer and expanding world trade.

Neither can farmers afford to neglect to plan for a growing and expanding national economy. The only way farmers can be prosperous over any considerable period is for their customers to be prosperous and have the purchasing power to buy the kinds and quantities of food needed for nutritious diets and to buy needed fiber and forest products. Farmers, therefore, have a real stake in full employment in industry at home. In fact, since urban people make up most of the farmers' market, and since, through differentials in birth and death rates between farm and nonfarm areas, many farm youth need chances for jobs in cities, farmers have fully as great a stake in full urban employment at good wages as do most other groups.

This will readily explain agriculture's keen interest in such national problems as proper and speedy termination of war contracts, reconversion of industry to full peacetime production, disposition of surplus military supplies, and re-training and re-employment of returned veterans and war workers, as well as in more strictly agricultural problems. All of this is not to say that we believe that agriculture should not plan for agriculture itself. It is simply to say that an important part of the agricultural problem lies outside of agriculture, and that this portion must receive attention along with the rest of the problem.

Our unprecedented wartime production record, in both industry and agriculture, which has provided good jobs at good wages for substantially all of our people who were able and willing to work, has demonstrated what the Nation can accomplish when it has the will for great achievement. It has convinced most people that we need not have a disastrous depression at the end of the war if the Nation--the people that make up the Nation--wills otherwise. Yet we recognize that we may have the worst depression in our history at some time following the end of the war unless vigorous positive steps are taken to prevent it. While we believe that depression is possible, we also believe that it is not inevitable, and that it can and must be prevented.

I should like to make one additional point, perhaps the most important one, concerning our approach in the Department of Agriculture to work on post-war problems. We recognize fully that in our democracy the matter of what we do and what we fail to do lies in the hands of the people. Their efforts and their decisions will determine whether or not the necessary steps are taken to avoid disaster in the years immediately following the close of the war. They will determine whether or not we take advantage of the opportunity to move forward to a better life for all of us in the longer-time future. The Department of Agriculture, therefore, feels a responsibility to study post-war problems and possible solutions, and to place all obtainable information that has a bearing upon these problems in the hands of those who will make these vital decisions, i.e., in the hands of farm people and other citizens, their organized groups, and their elected representatives in Congress.

Work is now underway on many post-war problems in the Department of Agriculture. This work is done insofar as possible on the basis of specific assumptions, since it is impossible for anyone to predict with certainty just what the future course of events will be. It also involves constant analyses of the possible consequences to agriculture of alternative national and international policies. Dr. Bushrod Allin, who has just preceded me, has given you some of the results from these analyses so far. Dr. Carl Taylor has carried the interpretation farther in terms of opportunities for employing manpower on farms after the war.

Among the post-war problems which are receiving attention are the following:

- (1) Production adjustments in agriculture needed (a) during the demobilization period and (b) to bring about desirable production in the

period following conversion from a war to a peace-time economy. Within an assumed over-all framework of full employment and high national income, adequate nutrition for the people, international collaboration, and a high level of agricultural prices and income, an attempt is being made to indicate the pattern of crop and livestock production and the methods and techniques of production that should be followed, the amount of land that should be brought into or retired from production, the number and kind of farms that would be needed, and the work force that would be required. Comparison of this pattern with the present situation will indicate the adjustments that would be necessary by production-adjustment areas and for the nation as a whole. We also expect to study this problem basing our work on assumptions of less favorable conditions after the war. This item illustrates our method of using assumptions, which is equally applicable, although not spelled out in the items listed below.

Results from preliminary work indicate that there will be little need for many major production adjustments during the first year after the war ends in Europe. This is the year in which it is assumed that the greatest relief shipments of food will be made to Europe and that domestic demand will be even higher than now. As compared with 1943, the analysis indicates that total cropland may need to be increased by $2\frac{1}{2}$ percent; that there will be substantial increases in the acreages of sugar beets, tobacco, fresh vegetables, wheat and sweet potatoes; that there will be substantial decreases in the acreages of hemp and flaxseed; and that, with the exception of minor reductions in the acreage of other oil crops, the acreage of other crops and the production of livestock products will be essentially the same as in 1943.

I should like to emphasize the preliminary nature of this information and to point out that we are working on later years of the demobilization period, and for the years following the transition period. We expect to make progress reports on the results of this work from time to time.

(2) Marketing and distribution during the demobilization period with some attention to longer-time problems. This involves work on the integration of food requirements of the United States with estimates of world supply and allocations; readjustments in processing and marketing facilities and methods; disposition of wartime regulations concerning food distribution; the place, if any, of price and rationing controls during the transition period; methods of insuring better nutrition among under-privileged groups; marketing and price measures designed to guide production and distribution; programs to maintain farm prices and income; and programs of cooperation with other exporting nations.

(3) Disposition of surplus land, supplies, and equipment used by military forces and war plants, including the use of chemical plants for manufacture of fertilizer after the war. Our work so far in reference to the disposition of surplus military land indicates that it would be desirable to transfer land suitable for farming to the Department of Agriculture for sale to qualified applicants in family-size units. Other problems of surplus disposal are under study.

(4) Opportunities for returned veterans and others on farms after the war. Dr. Taylor's testimony had a very direct bearing on this problem. As Dr. Allin and Dr. Taylor have both indicated, we are attempting to find out just what and where the opportunities are for veterans and others on farms. The most difficult aspect of this problem is that the conditions under which a large back-to-the-land movement is most likely to take place are the very conditions under which the requirements for manpower in agriculture would be the lowest. This indicates the great need for developing a basis for guiding those who go back to farming in such a way as to obviate disastrous effects upon them and upon other farmers.

(5) Conservation and development of physical resources, including crop and pasture land, range land, forest land, and water resource. Conservation has been a long-standing problem but the extra strain of war production on our physical resources has increased the necessity for conservation measures. Development of new resources will depend upon post-war production requirements. Plans are being developed to provide for acceleration in the application of conservation measures and for needed development work.

(6) Nutrition. Our work so far shows that there are two aspects of the nutrition problem. On the one hand improved nutrition is a problem of purchasing power. On the other, it is a problem of education. The high rate of rejections for military service traceable to dietary deficiencies is evidence of the seriousness of the problem. The relationships between this problem and the problems of agricultural production adjustments and marketing and distribution are, no doubt, quite evident to you, as is the relationship between nutrition and levels of industrial employment and purchasing power.

(7) Other long-standing problems on which post-war action is being planned are those of rural health and sanitation, rural housing and equipment, rural electrification, social security for farm people, tenure, credit, agricultural-industrial relations, and the place of industries in rural areas. Without taking the time to go into detail, I will say that we believe that these problems are all important and deserving of our most careful attention.

(8) Development of a shelf of works projects to be carried out in case the situation after the war calls for public action of this character. Works projects will be planned to accomplish many of the indicated improvements in the field of conservation and development of physical resources and farm-family living, wherever the situation after the war indicates the development of works projects to be the most appropriate method of providing worthwhile improvements. The possibilities for furthering rural electrification, rural health facilities, such as hospitals, some phases of rural housing, and possible marketing facilities are being explored.

Work is being done on all of these subjects both in Washington and in the field. During this past winter the Department and the Land-Grant Colleges, working together, attempted to bring these problems and others into focus, State by State. Preliminary working reports were prepared in all States. In a few cases these reports were published by the Colleges, but in most instances they are being used as a basis for additional work on post-war problems.

In addition to a considerable volume of background working materials, such, for example, as the Northeast Agricultural Atlas, a few national reports have been published as a result of preliminary work. I have copies of two of them with me: (1) Agriculture When the War Ends--a mimeographed document of 57 pages, and (2) What Post-War Policies for Agriculture?--a printed leaflet of 13 pages in the Department's Farmer and the War series. Several other reports will probably be available soon. A dozen or more staff members of the Department of Agriculture and of other Government Departments along with representatives of farmers, took part in the United Nations Conference on Food and Agriculture, at Hot Spring, Virginia. This was the first great effort at planning for food and agriculture in the international field. A publication by the Department called "American Farmers and the United Nations Conference on Food and Agriculture" tells the story of the conference in brief.

In closing I should like to point out that the Department believes that technicians of the Department and the Colleges are being of service to farmers when they collect facts about post-war problems and analyze them for the public. But there is a limit to what public agencies can do. They can present facts and show the probable consequences of various alternative lines of action in meeting the problems. But it is the citizens themselves, farm families and others, who will have to study the facts carefully, and weigh them in terms of the interests and wishes of farm people, and then in terms of national welfare and future international cooperation. They will have to weigh short-run advantages against long-run benefits. Unless farmers as citizens, and as members of organized groups, study post-war problems now and evolve what they believe to be practicable and acceptable solutions, the Nation is likely to be greatly handicapped in attempting to deal with post-war agricultural problems promptly, when the crucial need for their solution arises.

This is not an easy task. But it is clear that much will have to be accomplished if agriculture is not to find itself in a very serious situation after the war. The Department of Agriculture stands pledged and ready to do all within its power to assist farmers, and other groups who are interested in agriculture, as they develop plans for meeting post-war problems. It is also ready to work with representatives of other segments of our economy in those fields that affect the welfare of all.

We appreciate very much the privilege of appearing before this Committee. We wish to assure you that the Department of Agriculture will welcome the opportunity to be of service to your Committee in any way possible in the future.

